

WORLD ENERGY FOCUS

2006 OIL PRICE REVIEW

Due to a conflict between the Western countries and the US, and Iran over the nuclear testing issue as well as the turmoil in Iraq, the 2006 world oil prices have hit a record high by 25 %, 18 %, and 20% for crude oil, gasoline, and diesel accordingly. The domestic retail prices have unavoidably hit the record also and consequently narrowed down the overall market margin (the profit before cost deduction) to Bt 90 satang/liter, the lowest rate beyond any oil traders could accept (while the acceptable rate is at Bt 1.20-1.50/liter). Sometimes, traders have to bear the public burden when there is no margin at all. PTT itself has had to shoulder an overall Bt 2.3 billion of public burden within last year.